

April 4, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

STATUS OF APRIL 16, 2002 BOARD MOTION ON BOLD STEPS FORWARD AND MORE COMPETITIVE CONTRACTING PROCESSES

At the March 18, 2003 regular Board meeting, consistent with discussion on legislative policy, Supervisor Antonovich referenced what he believed was a pending report from this office on "how we can be more competitive in our contracting." We believe the reference was to a Board instruction of April 16, 2002 (Attachment I), based on a motion by Supervisor Antonovich, and approved as amended by Supervisor Knabe. While the original motion requested a report back on implementation status on several pending "Bold Steps Forward" recommendations, only one recommendation, to implement a data retrieval system to quantify the number of contracts, amount involved, size of business by dollar volume and number of employees, was approved at that time. The remaining recommendations were postponed pending the Small Business Commission (SBC) convening a meeting to discuss the recommendations and overall future strategic plans for the Office of Small Business (OSB). SBC has completed a draft Strategic Plan which is currently being shared with all Board offices.

The required data retrieval system was implemented effective June 19, 2002 (Attachment II). The Internal Services Department (ISD) agreed to provide OSB with reports on a quarterly basis starting in fiscal year 2002-03. To date, ISD has provided three quarterly reports, the latest of which was issued January 7, 2003 (Attachment III).

In addition, OSB has reestablished the Los Angeles County Small Business Advocate Program (formerly known as small business ombudsmen) which was one of the postponed recommendations. It was also an original Bold Steps Forward recommendation previously approved by your Board and, thus, required no further Board action to implement. The first meeting and training of the reconvened group was November 5, 2002.

If you have any questions about this report, please let me know. If you have questions about the OSB/SBC strategic plan, your Commission appointees should be able to address them.

DEJ:LS
MZK:NF:nl

Attachments

c: Executive Officer, Board of Supervisors
Executive Director, Community Development Commission
Interim Director, Internal Services Department
Director, Office of Small Business
Chair, Small Business Commission

April 9, 2003

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

SMALL BUSINESS DATA RETRIEVAL SYSTEM

On April 16, 2002, on motion of Supervisor Knabe and seconded by Supervisor Antonovich, your Board adopted the Los Angeles County Small Business Commission's "Bold Steps Forward Report" recommendation relating to the implementation of a data retrieval system to quantify number of contracts, amount involved, size of business by dollar volume, and number of employees. This memorandum and the attachment, prepared by the Internal Services Department (ISD), respond to that order. The Executive Committee of the Small Business Commission has also reviewed this report.

The foundation for the requested data retrieval system to capture information on small business participation in County contracting has been established and implemented by ISD in concert with the Office of Small Business (OSB). This computerized system is comprised of multiple online program applications that integrate with the Countywide Acquisition Management Information System (CAMIS) and includes:

- ❑ Online vendor registration (WebVen) to permit a vendor to create a business profile and identify the goods/services the business provides.
- ❑ Online notice of County department contracting and purchasing opportunities over \$10,000 on the County's Bid Webpage which is accessible from the County's Internet home page at www.co.la.ca.us under "Doing Business With The County."

- ❑ Automatic e-mail notification of purchasing/contracting opportunities over \$10,000 to businesses registered in WebVen in the business' specific field(s) of interest.
- ❑ Online information on department awarded bids and contracts which is also accessible from the "Doing Business with the County" Internet home page.
- ❑ The ability to capture and provide information on solicitation and award information for all purchases and contracts over \$10,000 to any registered vendor including size of business, by number of employees, and annual gross revenue, in addition to small business certification.

Although the system capability to provide the requested information on small business participation in County contracting and purchasing is currently available, departmental compliance with the Board-ordered posting requirements needs strengthening. In this regard, **by copy of this memorandum to all department heads, the following requirements are established to improve compliance:**

1. Departments shall attach a printed copy of the Bid Webpage solicitation to a Board letter recommending a contract award when it is filed for a Board agenda.
2. Chief Administrative Office analysts shall review both the Board letter to ensure compliance language is included and the attached documentation of the solicitation posting on the Bid Webpage.
3. Departmental staff shall include information in solicitation packages that specifically informs potential bidders/proposers that they must register in WebVen to facilitate the contract/purchase order/commodity agreement award process and that registration can be accomplished online via the Internet by accessing the County's home page at www.co.la.ca.us under "Doing Business With The County."

ISD is currently working with OSB to develop the specific criteria and format for a series of reports designed to measure the success of the County's small business-related initiatives. These reports will be generated and provided to OSB on a quarterly basis starting in Fiscal Year 2002-03. The reports will also include an assessment of the effectiveness of the compliance enhancements. In addition, ISD will provide training to contracting staff in conjunction with its quarterly County Contracting Network meetings.

If you have any questions, please let me know or your staff may contact Nan Flette of this office at (213) 974-1168 or Joe Sandoval of ISD at (323) 267-2670.

DEJ: LS
MKZ:Nf:nl

Attachments

- c. All Department Heads
Executive Director, Office of Small Business

IMPLEMENTATION OF A DATA RETRIEVAL SYSTEM FOR SMALL BUSINESS PARTICIPATION IN COUNTY CONTRACTING OPPORTUNITIES

A small business may access comprehensive information about the County's contracting program through the "Doing Business With The County" Website. Exhibit A is a compilation of selected screens from this Website to highlight the essential information that is made available in a user-friendly manner to all businesses interested in doing business with the County.

The foundation for a data retrieval system to quantify small business participation in County contracting opportunities has been established and implemented by the Internal Services Department (ISD), in concert with the Office of Small Business (OSB). The system has the capability to report, by individual business, the following information:

- ❑ Number of employees.
- ❑ Gross annual revenue.
- ❑ Small business certification status.
- ❑ The types of goods and services offered by the vendor, identified by standard commodity codes utilized in the County's online procurement system.
- ❑ Number of contracts awarded and the dollar amounts.

The computerized system to track small business participation is composed of multiple online program applications that integrate with the Countywide Acquisition Management Information System (CAMIS). The required information is captured and reported through an integrated database that resides within CAMIS. Applicable components of the system include:

1. VENDOR REGISTRATION

ISD has implemented a Web-based vendor registration system ("WebVen") that enables vendor ability to register online using the same commodity code standard for goods and/or services used in the County's online procurement system. The registration function is easily accessible via the "How to do Business with the County" Website link accessible from the County's Internet Home Page at www.co.la.ca.us.

The vendor registration process provides suppliers the ability to self-register their information and business demographics, including size of company by number of employees and gross annual revenue. Included in the program is a data field for certification of small business. The WebVen information regarding vendor identification is also synchronized with the County's financial system maintained by the Auditor-Controller (the Countywide Accounting and Purchasing System [CAPS]).

2. COUNTY BID WEBPAGE

The County's consolidated Bid Webpage was implemented in February 2002. It was designed to provide vendors information related to countywide purchasing and contracting opportunities. Categories include commodity and services solicitations, construction related contracting, and master agreements for services.

The Website provides one place for vendors to access information related to commodities purchased by ISD, as the County's Purchasing Agent, as well as service contracts generated by County departments. Specifically:

- ❑ Commodities: When a bid solicitation with a purchase value of \$10,000 or more is created in CAMIS, a notice of the solicitation is electronically posted on the County Bid Webpage. In addition, any vendor registered in WebVen who is associated with the selected commodity code receives a notice of the solicitation, via electronic mail.
- ❑ Service contracts: By Board directive of July 18, 2000, all County departments are required to post solicitations and award information over \$10,000.

Any vendor may participate in a bid solicitation posted on the County's Bid Webpage by downloading from a file server the solicitation notice and, in some instances, the solicitation documents, using a personal computer and printer. The capability exists to post all solicitation documents on the County's Bid Webpage and ISD will work with County contracting and purchasing staff to ensure greater use of this capability.

In addition, on May 1, 2002, ISD required all departments to post bid and award information using the standard vendor identification number on all contracts. This facilitates reporting of small business related awards in a routine and standardized manner.

3. **SYSTEM REPORTING**

The integrated computer applications system captures and provides reporting capability for solicitation and award information on all purchases and contracts over \$10,000 to any vendor. Additionally, where employed as an integrated procurement system, CAMIS will capture all purchase orders and amounts issued.

To the extent departments comply with the Board-adopted posting requirements and small businesses register as vendors, the system provides the capability to sort and report vendor information including the size of business, by number of employees and annual gross revenue. The system also enables small business

certification by multiple agencies or by self-certification. For example, preliminary system-generated reports for Fiscal Year 2001-02 indicate the following:

- ❑ Payments of more than \$55 million were made to businesses registered in WebVen who report that they meet the State-defined criteria for small business certification (i.e., 100 or less employees and less than \$10 million in revenue).
- ❑ More than 1,300 vendors meeting the State's criteria for small business certification have registered on the County's Website.

ISD is currently working with the OSB to develop the specific criteria and format for a series of reports designed to measure the success of the County's small business-related initiatives. These reports will be generated and provided to OSB on a quarterly basis starting in Fiscal Year 2002-03.

Summary

Critical to the success and accuracy of the data retrieval system information is full compliance with the Board's instruction to all County departments to post solicitation and award information on the County's Bid Webpage. Equally critical is full and complete vendor registration in WebVen. A vendor must be registered in order to post the award because the system will not allow a posting without a WebVen number. While vendor registration is voluntary, accurate data collection cannot be accomplished without registration and without departmental compliance with posting requirements.